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FY22-26 COUNTRY PARTNERSHIP FRAMEWORK FOR

THE DEMOCRATIC REPUBLIC OF CONGO





INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY
COUNTRY PARTNERSHIP FRAMEWORK
FOR
THE DEMOCRATIC REPUBLIC OF CONGO
FOR THE PERIOD FY22-FY26



EXECUTIVE SUMMARY

SUPPORTING A NEW SOCIAL CONTRACT

1.

The last of the Congo Wars officially ended in 2003, yet the Democratic Republic of Congo (DRC) has not made significant advances in post-conflict stabilization over the past two decades.

Conflict and violence continue, particularly in DRC's part of the Great Lakes Region (GLR), where there were 5,515 conflict-related deaths in 2021. Girls and women are the most adversely affected—more than half of women and girls aged 15 and older have experienced physical violence and/or Sexual Exploitation Abuse/Harassment (SEA/H). In parallel, DRC faces critical development challenges, as little progress has been made since the early 2000s.

2.

Poverty, measured at the international level of US\$1.90 a day, remains high at 73 percent (2020). Moreover, the number of poor is growing, with 20 million more poor in 2020 than in 2003.

Poverty reduction is hampered by high population growth—the population grew an average of three percent annually from 1961 to 2020—combined with weak economic growth, with a real Gross Domestic Product (GDP) growth rate of 1.6 percent over the same period. This resulted in a 60 percent decline in GDP per capita in 2020 compared to its 1960 level. Additionally, the humanitarian situation is precarious: half of all children have not received routine immunizations, over 5.2 million people are forcibly displaced, 27 million people are food insecure, and there have been four Ebola outbreaks in the past three years.

3.

These daunting challenges are compounded by weak governance that precludes the country from benefiting from its vast natural resources. An illustration of this natural resource “curse” is that while DRC holds half of the world’s cobalt reserves, the most critical component in car and phone batteries, its paved road system is 30 times smaller than the average level in Sub-Saharan African (SSA). Furthermore, DRC hydropower resources are three times larger than the total installed capacity in SSA, but only one out of five Congolese has access to electricity. Similarly, 34 percent of households have access to basic water (19 percent in rural areas), despite DRC holding 52 percent of SSA’s freshwater resources.

4.

The Coronavirus Disease 2019 (COVID-19) pandemic puts further stress on the health system and society at large. As of January 11, 2022, there were 80,175 confirmed cases and 1,225 fatalities—the majority of which have been in Kinshasa. The vaccine rollout has been hampered by vaccine hesitancy and access issues. The COVID-19 pandemic has added enduring socioeconomic impacts, led to a slight increase in poverty in 2020, and put stress on an already weak health system.

5.

The four World Bank Group (WBG) strategies for DRC adopted since 2001 (two transitional strategies (2001, 2004), a 2008 Country Assistance Strategy (CAS), and a FY13-16 CAS) have all identified persistent constraints to DRC’s sustainable development, e.g., conflict and violence, weak human capital, and pervasive corruption. It was only after the establishment of a new government in April 2021 that strategic development priorities were discussed. Furthermore, the four strategies have, to a large extent, proposed similar responses to these persistent development challenges, including investments in stabilization, human development, strengthening governance, and in fostering private sector development. From 2002 to 2017, US\$7.5 billion worth of International Development Association (IDA) resources were committed in DRC, with a heavy emphasis on rebuilding public infrastructure (roads, airport, railway, energy, water supply) that was destroyed by years of economic mismanagement and subsequent wars. The impacts of these investments, which, in practice, were not fully aligned with the vision of the strategies described above, were somewhat limited, particularly in strengthening institutional capacity and stimulating critical governance reforms. Furthermore, projects were typically implemented in several provinces, without a strategic geographic concentration. As a result, investments were spread thin across a large territory, limiting overall impact, and impeded effective implementation support. Staff safety and security concerns, as well as limited transport facilities, further affected the ability of World Bank to provide adequate supervision support. Significant fiduciary and safeguards issues, particularly relating to Gender-Based Violence (GBV), further hampered project implementation.

6.

Notwithstanding these significant and persistent challenges, there are indications that the social contract in DRC may be changing. The government that was formed in the spring of 2021 is showing commitment to reform and to addressing ongoing challenges to development. This is manifested in the adoption, in October 2021, of the country’s first conflict prevention and stabilization strategy and a new community-based reintegration and stabilization program in the eastern part of the country. There has also been progress in the implementation of the free primary education policy—the first high-level political commitment to reform and the provision of basic services since the collection of school fees began 40 years ago. In addition, the new government has restarted a program with the International Monetary Fund (IMF), after the last program was interrupted in 2012 due to transparency concerns around large contracts in the mining sector. The recent appointment of a new governor of the Central Bank of Congo, a selection based on merit over connections, could signal a welcome direction toward open and competitive recruitment processes for key governmental positions.

7.

The WBG will support these nascent positive changes initiated by the government by applying principles that differ from past engagements in DRC. The new principles are based on historic lessons learned, key analytical work and fragility analysis, including the 2021 Risk and Resilience Analysis (RRA), 2018 Systematic Country Diagnostic (SCD), 2020 Country Private Sector Diagnostic (CPSD), and poverty assessments. The principles include rebalancing investments towards human development sectors, particularly education and social protection; targeting poor, vulnerable, and conflict-affected populations; strengthening implementation; and proactively identifying and addressing portfolio and country risks. Furthermore, all engagements aim to protect DRC's large, forested areas and address GBV. They incorporate guidance from key corporate strategies, including the 2020-25 Strategy for Fragility, Conflict, and Violence (FCV) and FY16-23 Gender Equality, Poverty Reduction, and Inclusive Growth Strategy.

APPLYING NEW PRINCIPLES TO WBG ENGAGEMENT IN DRC

8.

Critical governance reforms will be integrated into all WBG engagements. Engagement areas include core Public Financial Management (PFM) reforms at central and provincial levels; sectoral reforms for improved service delivery and sustainability and strengthened private sector participation, including governance of state enterprises in the water, electricity, transport, and mining sectors, as well as reforms aimed to increase transparency and strengthen demand-side governance. In the mining sector, World Bank engagement will initially focus on strengthening transparency and accountability, before exploring a deeper engagement aimed to address social and environmental issues in the sector. Across sectors, reforms will be promoted through investment operations with results-based financing modalities and potentially through Development Policy Financing (DPF), complemented by continuous high-level policy dialogue. Investment lending with results-based modalities is already being used in the education sector to support implementation of the government's free primary education policy.

9.

There will be a significant shift toward the human development sectors, with a view to strengthening systems and access and quality of services. This will translate into a significant increase in financing for the education and social protection sectors, which, in the past, have lagged the health sector. Engagements will support key reforms across the social sectors, making use, where possible, of results-based modalities. Operational engagements will aim to increase access to quality primary and secondary education—from the current 66 percent coverage level to a target of 74 percent in 2026—with a focus on girls. Routine vaccination coverage targets a minimum five percent expansion, and epidemiological surveillance will be strengthened. A registry for social assistance will be established, to target the poor and most vulnerable, with the goal of enrolling 1.8 million people by 2026 (from zero enrollments in 2021). Health initiatives will adopt results-based approaches that aim to address governance challenges and ensure sustainability through strengthening service delivery systems.

10.

This CPF proposes a renewed approach to stabilization by scaling up targeted social protection programs. In the past, stabilization projects were mainly targeting ex-combatants through disarmament, demobilization, and reintegration (DDR) projects managed at the central level. In this proposed CPF, stabilization work will be undertaken with provincial authorities and focus on vulnerable communities, including refugees. The World Bank will support the government's efforts to establish a comprehensive, countrywide social safety net system that targets poor, vulnerable, and conflict-affected populations. This will include a specific focus on forcibly displaced and refugee populations and youth in Kinshasa to address exclusionary dynamics. The new approach brings investments close to US\$1 billion in social protection activities, benefiting a total of about 1.2 million people.

11.

This CPF proposes to move away from investments in the multi-modal system (roads, railway, and river transportation) across the territory, to focus on improving road connectivity in geographic areas that are most affected by conflict and violence.

Investments will improve the conditions and resilience of the two national corridors that run east-west (between the Atlantic and the Kasais) and north-south (along the Great Lakes), aiming to add 1,500 km of paved roads. This will add 50 percent to the total length of paved roads and connect the east-west and north-south corridors. Additionally, 4,000 km of rural access roads will be rehabilitated, connecting people, and providing access to markets. Moreover, there will be a strong emphasis on road maintenance, ensuring the sustainability of investments made. Digital connectivity will be prioritized: planned activities include the laying of 1,800 km of fiber-optic cables, mobilizing private capital and using a “dig once” approach. Investments will also be made to upgrade Goma and Beni airports (North Kivu), which are highly affected by continued conflict.

12.

As a joint World Bank-International Finance Corporation (IFC)-Multilateral Investment Guarantee Agency (MIGA) program, the CPF promotes private investments in water and energy infrastructure, including off-grid and mini-grid (both production and distribution), to quickly increase people’s access.

By adopting a new approach that will leverage private investment in these sectors, including IFC lending and MIGA guarantees, the WBG will assist in building and operating decentralized grids financed through Public Private Partnership (PPP) modalities. In the past, investments in water and energy infrastructure were oriented toward rehabilitating, with public funds, old and large public production infrastructure managed by State-Owned Enterprises (SOEs). Examples of such past investments include the rehabilitation of turbines at the Inga dams to supply the mining Copperbelt, which is located 2,000 kilometers from the dams. Through this new approach, WBG engagements will aim to increase electricity access rates from 19 to 25 percent and access to water by 3 percent—from a low 17 percent. Further WBG engagement in the development of the Inga Falls, which, with a hydropower potential of 44 Gigawatt (GW), could transform the energy sector in DRC and beyond, will be considered if project and sector governance are significantly strengthened and fully transparent.

13.

WBG engagements will aim to protect DRC’s rainforest, which is the second largest in the world and covers two thirds of the territory.

It stores the equivalent of 85 billion tons of carbon dioxide, which roughly equals three years of global energy-related Carbon Dioxide (CO₂) emissions. For many years, the World Bank piloted investments, such as shifting cultivation and providing alternative livelihoods to reduce the pressure on forests and address key drivers of deforestation in provinces surrounding Kinshasa. Under this CPF, it is proposed to scale up these approaches to strengthen the resilience of landscapes and communities in all provinces surrounding the country’s forest. It is also proposed to use the DPF instrument to incentivize improved forest governance.

14.

In a country that ranks 149 out of 153 in the 2020 global gender gap index and where there is persistent and pervasive GBV, aggravated by fragility and conflict, all WBG engagements will be gender-informed, with a specific focus on addressing GBV.

In the past, the World Bank has applied a survivor-centric approach in Eastern DRC. Building on experience and following the retrofitting of 16 active projects to include specific SEA/H risk mitigation measures and comprehensive Grievance Redress Mechanisms (GRM), this CPF will add to this survivor-centric approach by moving toward prevention and behavioral change, with a focus on the most fragile and conflict-affected parts of the country. Investments in girls’ learning and women’s and girls’ empowerment will include efforts to help girls transition into and stay in secondary school; access to Sexual Reproductive Health (SRH) education and services; access to second chance education; and strengthening women’s financial inclusion.

15.

These principles align with IDA20 priorities and support a resilient COVID-19 recovery. The CPF proposes strong engagements in support of three out of the four IDA20 Special Themes. Over the CPF period, there will be increased support and financing for human development. Focus on GBV and girls' and women's empowerment align with the Gender and Development theme, and the CPF's overarching focus on stabilization supports the IDA20 theme on Fragility, Conflict, and Violence. Protection of the DRC rainforest aligns with the IDA20 special theme on climate change and is also aligned with the 2021-25 WBG Climate Change Action Plan. Support for the development of renewable sources of energy, the building of climate-resilient roads, and renewed focus on social protection are informed by the Green, Resilient, and Inclusive Development (GRID) framework 2021 for a resilient recovery from COVID-19.

MAXIMIZING IMPACT AND SYSTEMATICALLY ADDRESSING RISKS

16.

DRC will access significantly more IDA financing during the five-year CPF period than during IDA13-17. During the first fifteen years of engagement in DRC, the World Bank committed around US\$500 million in new lending annually, increasing to US\$1 billion under IDA18. With an IDA19 allocation of about US\$2.4 billion from the Performance-Based Allocation (PBA) and the Prevention and Resilience Allocation (PRA) under the Fragility, Conflict, and Violence envelope, plus additional resources from other IDA windows and regional IDA reallocations, annual commitments during IDA19 (FY21-22) will total around US\$2.9 billion. Allocations under IDA20-21 are not confirmed, though it is assumed volumes will be like those during IDA19. While IDA resources have significantly increased over recent years, a close to doubling of the population means the per capita IDA allocation for DRC remains low compared to other countries.



NEW WBG PRINCIPLES OF ENGAGEMENT IN DRC

ALL ENGAGEMENTS WILL SUPPORT KEY GOVERNANCE REFORMS

- Strengthen **governance** and **effectiveness** of SOEs
- Increase **transparency** in the mining sector

INVESTMENTS WILL BE REBALANCED TOWARD THE HUMAN DEVELOPMENT SECTORS

- Increase the primary completion rate from **67%** to **74%**
- Increase basic childhood immunization coverage from **53%** to **58%**

SUPPORT TO REDUCE CONFLICT WILL FOCUS ON VULNERABLE COMMUNITIES, WORKING WITH DECENTRALIZED ACTORS

- Social safety net engagements benefiting directly **600,000** people
- **\$150m** distributed in cash transfers and **20 million** person-days of employment created

OFF-GRID AND MINI-GRID PRIVATE SECTOR INVESTMENTS IN SMALL-SCALE ENERGY AND WATER INFRASTRUCTURE TO QUICKLY IMPROVE ACCESS TO SERVICES WILL BE PROMOTED

- **4.5 million** people provided with new or improved electricity services
- **3.4 million** people provided with new or improved access to basic water services

INVESTMENTS IN ROAD INFRASTRUCTURE AND DIGITAL WILL STRENGTHEN CONNECTIVITY WITHIN AND BETWEEN GEOGRAPHIC AREAS MOST AFFECTED BY CONFLICT

- **1,800 km** of digital infrastructure built
- **1,400 km** of climate-resilient roads constructed or rehabilitated

THE WORLD'S SECOND LARGEST RAINFOREST WILL BE PROTECTED THROUGH THE SCALING UP OF INITIATIVES AIMED TO STOP DEFORESTATION AND IMPROVE FOREST GOVERNANCE

- Obtain **\$50m** from forest carbon emission reduction sales

ENGAGEMENTS WILL FOCUS ON PREVENTING VIOLENCE TOWARD WOMEN AND GIRLS THROUGH EMPOWERMENT AND SKILLS INITIATIVES – WITH CONTINUED SUPPORT TO SURVIVORS

- **15%** of women (aged 15-49) use modern methods of contraceptives

17.

Due to the dense tropical rainforest that covers the northern half of the territory, most of the Congolese people (60 percent) live along two main corridors. One corridor runs along the southern edge of the forest from the southwest to the southeast, beginning at the Atlantic coast and ending at the border with Zambia. The other corridor borders the Great Lakes, from north to south (see Figure 13, Section VI – Maps). The two corridors represent the highest economic concentration and potential in DRC but are also rife with conflict hotspots. These axes effectively divide DRC into two types of regions: leading regions with high population density, some infrastructure, services, and transport, and lagging regions, with low population density, high poverty, almost no infrastructure, and extensive tropical rainforest.

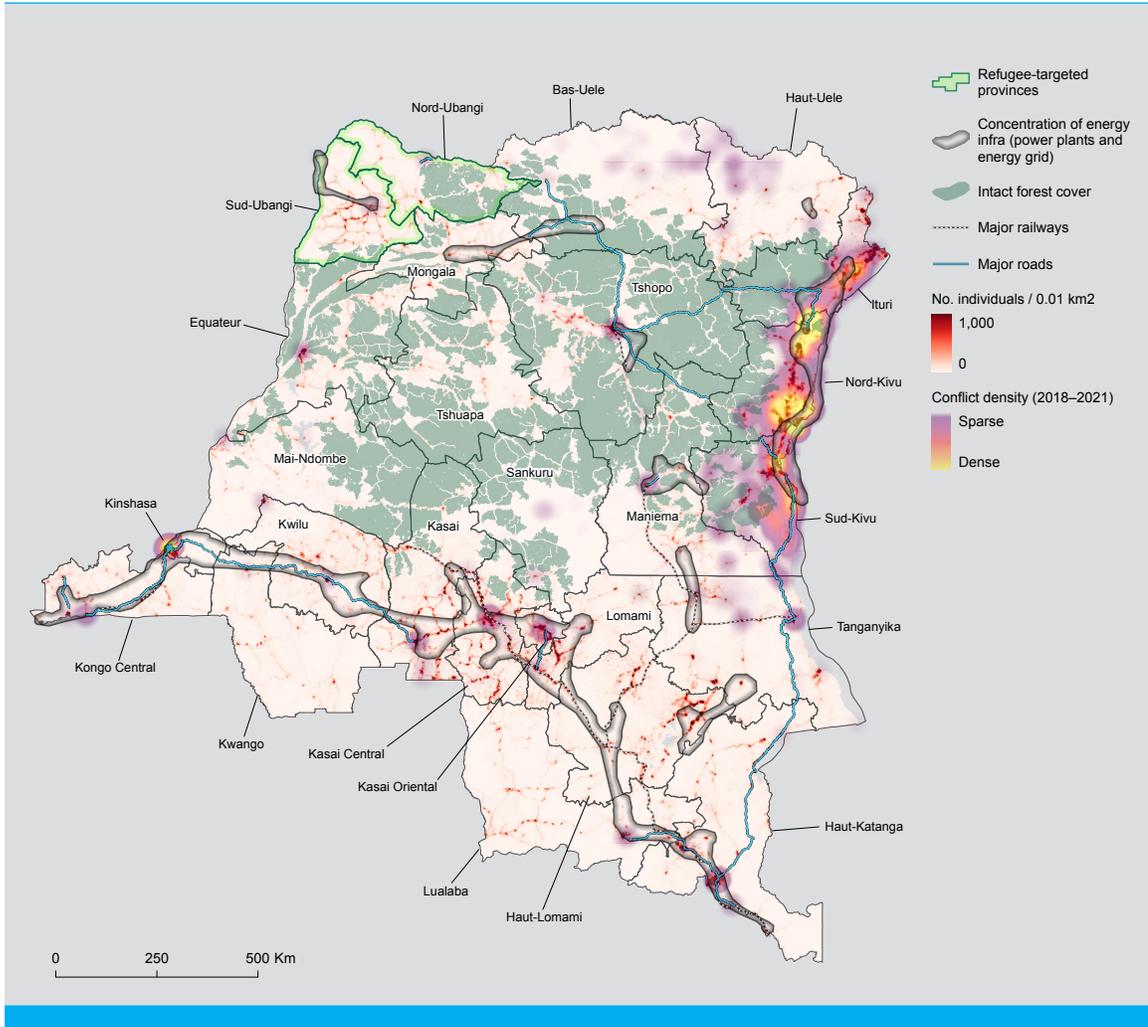
18.

To address fragility, in support of socioeconomic development, and to maximise impact, the CPF proposes to focus implementation of some investment operations in these densely populated corridors which are home to a high number of poor people and represent conflict/fragility hotspots. Additionally, refugee-targeted investments will be made in two densely populated provinces in the northwest. As the environment along these corridors and in the two provinces in the northwest (representing in total 28 percent of the territory and 67 percent of the population) is highly degraded, with little or no remaining primary forest, focusing certain investments operations in the areas surrounding the forest will ease pressure on the forest and therefore have additional positive environmental impacts. These engagements, which will complement investments with a national reach, will include investments in critical infrastructure (e.g., roads and energy), agriculture, and forestry, to the benefit of 61 percent of the country's poor.

19.

A geographic focus in the implementation of investment operations will strengthen policy dialogue with decentralized authorities and bolster the quality of World Bank supervision. Concentrating the implementation of operations that have a distinct geographic footprint in fewer provinces can deepen the dialogue and collaboration with decentralized authorities. This approach will also allow for strengthened supervision support, bringing the WBG closer to the client. To facilitate supervision across the two corridors, WBG liaison offices have been established in Eastern DRC (Goma) and in the Kasai (Kananga). Overall, the World Bank will continue to have a large-scale geographic presence in DRC, except in the Copperbelt region, which is wealthier and sparsely populated. Other development partners also have a geographic focus in DRC, though every one of the 26 provinces is covered through programmatic interventions by one or more partner. The United Kingdom (UK) and the United States (US) have a strong cross-country footprint, including in the east, the Kasai (South), and the southeast. The European Union (EU), with a strong focus on biodiversity, targets lagging regions in center and northeast. Other partners adopted a thematic entry-point for their engagements, e.g., fragility, conflict prevention, and stabilization for Germany, the Netherlands, Norway, and Switzerland. The EU and the US are active on security sector reform, the EU on rule of law, and Sweden on civil society, humanitarian, and security issues. All partners provide humanitarian assistances nationwide.

DRC POPULATION, INFRASTRUCTURE, CONFLICT, AND FOREST RESOURCE MAPPING



20.

Under this CPF, risks to implementation and development impact will be systematically identified and analyzed and mitigation measures adopted with a focus on security, fiduciary, and GBV risks.

The World Bank security team has been reinforced, equipment such as armored cars purchased (Goma), communications with staff enhanced, and decision-making procedures adapted to the risks faced. Fiduciary risk assessments will be undertaken in sectors where funding is increasing sharply, such as for roads and agriculture. Hands on implementation support (HEIS) will be provided as needed and Integrity Vice Presidency services used in a preventive manner. WBG engagements will provide direct support to GBV survivors, while, in parallel, aggressively targeting prevention through behavior change interventions and building functional GRM systems, as is being done in the education sector.

21.

Given the lack of improvement in the daily lives of most Congolese over the past 20 years, many internal actors have lost confidence in the state and, by extension, in the WBG.

The World Bank is the only international institution that provides direct financial support to and through government systems. It is therefore critical to communicate proactively and strategically on what the WBG does and how, while rebuilding an environment of trust. This will be done through increased engagement and dialogue with media and civil society actors and regular updates on WBG multimedia platforms and social networks.

